

COUNTY OF YORK

MEMORANDUM

DATE: October 14, 2004 (BOS Mtg. 10/26/04)

TO: York County Board of Supervisors

FROM: James O. McReynolds, County Administrator

SUBJECT: Roadside Solid Waste Collection and Operation and Maintenance of the Transfer Station Contracts

On July 30, 2004, the County issued and advertised a request for proposals (RFP) to procure services on a competitive basis for two contracts, one for roadside garbage collection and the other for the operation and maintenance of the County's Transfer Station. On August 16, 2004, Central Purchasing received 6 proposals. Using the RFP evaluation criteria set out in the RFP, the selection committee, composed of County Staff and a Virginia Peninsula Public Service Authority (VPPSA) staff member, evaluated the six proposals. The two proposers with the best capability and lowest cost were short-listed. The two firms selected for formal interview were Waste Management (WM) and Browning-Ferris Industries Waste Service LLC (BFI).

On September 28, 2004, both firms were interviewed and after careful consideration of both the presentations and written proposals, BFI was selected as having the best proposal for three reasons: 1) they proposed significantly lower costs for both contracts; 2) they have proven capability and customer service with the existing York County contracts, and 3) they proposed, as part of the transfer station contract, to fund and build a Citizen Solid Waste Drop-off Facility to alleviate traffic congestion. The drop-off facility, along with other improvements, is included in the 2007 through 2009 Capital Improvement Plan.

The following cost comparisons for the Roadside Collection Contract are based on the current roadside collection of approximately 15,187 County households. The Transfer Station operation costs are based on current processing volumes and also the disposal of approximately 21,600 tons of County customer waste. The costs also include BFI's proposed cost for operation of the Drop-off Facility and reimbursement from BFI of an estimated \$167,000 for transferring their commercial waste through the Transfer Station.

<u>Contracts</u>	<u>BFI</u>	<u>WM</u>	<u>Current</u>
Roadside Collection	\$809,000	\$1,172,000	\$1,190,000
Transfer Station	<u>\$454,000</u>	<u>\$738,000</u>	<u>\$1,051,000</u>
Total Costs	\$1,263,000	\$1,910,000	\$2,241,000
Amount over BFI		\$647,000	\$978,000

Another method to compare costs is by comparing unit costs such as cost per customer on County service for the garbage collection and cost per ton for Transfer Station operations. This comparison is shown as follows:

1. Garbage Collection per customer per month on County Service:

a. BFI:	\$4.44
b. WM:	\$6.43
c. Current:	\$6.53

2. Transfer Station effective costs per ton of Solid Waste Processed for County generated Waste:

a. BFI:	\$21.01
b. WM:	\$34.17
c. Current:	\$48.67

The lengths of the terms of the two attached agreements are different, but through different contract extension options both are designed to end on the same date (June 30, 2016) if all extension options are exercised. The reasons for the different terms are two-fold. The County designed the contracts so they could be awarded to two separate contractors to insure maximum competitive flexibility. In doing so, however, the VPPSA bond counsel advised the County Attorney that the Transfer Station contract could only be limited to a three-year maximum original term, renewable for additional periods of three years each, for reasons related to the outstanding VPPSA construction bond. Therefore, the first term was established for two and one half years in order to align it with the County's fiscal year, with the possibility of three extension periods of three years each. The Roadside Collection contract was established for an original term of five and one half years again to align it with the fiscal year with a possible additional term of six years.

The Roadside Collection Contract has new features and services for our customers. First, the regular service will provide two 95-gallon containers versus the current one, with the requirement that all waste be placed inside the containers. This additional container substitutes for the additional six-bags or bundles that may currently be placed beside the containers for pick-up. The low generator option will provide one 95-gallon container versus the current owner provided 40-gallon container, at a lower cost than the regular two-container service. The result will be lowered collection costs for all County customers. This lower cost occurs because the collection truck picks up the container with a hydraulic arm rather than with the two laborers. This technological advancement obviously makes collection a faster process and reduces labor and material costs that are passed on to the County.

The Transfer Station Operation Contract also adds new services that will have a dramatic improvement in how we service customers at that facility. BFI has agreed to fund, construct, and operate a Citizen Drop-off Center and work with the County to incorporate a better plan for Transfer Station, recycling center, and the new Citizen Drop-off Center

traffic ingress and egress. If the contract were to be terminated prior to June 30, 2016, the County would be required to reimburse BFI for the costs of constructing the Citizen Drop-off Center on a prorated basis. These improvements will address long-standing issues associated with traffic flow in and out of the Solid Waste Center and with the mixing of private and commercial vehicles.

I believe these contracts provide a rare combination of reduction in costs from past operations while increasing services. As a result, I recommend the Board approve R04-154 to authorize execution of agreements with BFI for Roadside Solid Waste Collection and Operation and Maintenance of the Transfer Station.

HUDGINS/3755:mw

Attachments:

1. Roadside Solid Waste Pickup Contract
2. Transfer station contract
3. Resolution R04-154